

The Walt Disney Company Remarks
At “Weighing In: a Check Up on Marketing, Self-Regulation and Childhood Obesity”
Jennifer Anopolsky – Vice President, The Walt Disney Company
Federal Trade Commission
July 18, 2007

For inquires, please contact Michelle Bergman – 818.560.8231

Thank you. Good Morning.

As many of you have heard, less than a year ago, The Walt Disney Company introduced new food guidelines aimed at giving parents and children healthier eating options. The new policies called for Disney to use our name and characters only on kid-focused products that meet specific nutritional guidelines.

Disney also announced nutritionally-beneficial changes in the meals served to children at all Disney-operated restaurants in our Parks and Resorts. And we unveiled a company-wide plan to eliminate added trans fats from food served Disney Parks and our licensed and promotional products.

These efforts were all part of a first step in a long-term commitment to positive change by our company.

In making this announcement and putting the policies into practice, we are using the power of our brands and characters to promote foods that kids want and that parents can feel really good about giving to them.

We know that this is the right thing to do for The Walt Disney Company and our business. We are pleased to offer children and families healthier eating options, and that we can contribute to a solution.

Our commitment to this topic and the changes that we’re making pertain to all our business areas including Parks & Resorts, Studios, Licensed Products and Media Networks.

Even though it’s only been 8 months since our announcement, I’m delighted to be here to tell you about the progress we’re already making.

I’ll begin by recapping for you the highlights of our nutritional guidelines. Then, I want to show you some examples of how we are starting to implement these changes across our businesses. And finally I’ll share with you some of our early efforts in the area of consumer education.

So let’s start with the nutritional guidelines.

Our nutritional guidelines were developed with Dr. Keith Ayoob and Dr. Jim Hill. Dr. Ayoob is Associate Clinical Professor of Pediatrics at the Albert Einstein College of Medicine and Dr. Hill is Director of the Center for Human Nutrition at the U. of Colorado Health Sciences Center.

Our standards are based on the Dietary Guidelines for Americans from the Department of HHS and USDA. Our guidelines:

- Feature separate standards for key meal occasions. So for example, main meals have different requirements than snacks or dairy products.
- Include specific limits by meal occasion for total calories, total fat, saturated fat, sodium and sugar per portion.
- Commit to 0 grams added trans fat

As part of our guidelines for licensing, we intend to limit special occasion sweets like birthday cakes and seasonal candy to a minority of our overall food portfolio.

The guidelines were developed to anchor our business decisions going forward. Of course, implementing them fully will take time.

With that overview as context, I'd like to now show you how we are starting to improve the food options we offer to kids. Let's start with what's going on in our parks

In the Disney Parks we've taken significant, systematic steps to make healthy options more available and appealing to kids and families. In October 2006 we changed the standard offering in our kids meals to feature the healthy side dishes and beverages.

So, for example, if you visited our park before the change and ordered the kids meal, you would have had a choice of sides and beverages, but if you didn't specify one, it would have come with fries and soda. Today when you order a kids meal, it automatically comes with fruit or veggies on the side and juice, water or low-fat milk to drink. Parents can still order fries and soda for their kids - if they make a special request. But the built-in bias is to offer the healthier options.

I want you to see what this looks like in the Disney Parks. The tape you're looking at isn't highly produced. It is video we shot in the park last week. Those are real kids - eating with their fingers and chewing with their mouths open - but they are clearly enjoying the grapes and carrots that came with their meals. I wanted to show you what it actually looks like in practice.

By all measures, our guests seem to love the new approach. Since we first introduced this change in both Disneyland and Walt Disney World, we're finding that the overwhelming majority of our guests are selecting the healthy options. And we're very pleased with the way consumers are embracing this change.

Another big focus in the parks is snack foods. We want to make sure that in addition to indulgences, we also have healthy snack food options that are widely available and very appealing.

To that end, we started introducing fruit carts like this a few years ago. Again - pardon the real-life footage. Consumers love the fruit stands. So for the last 2 years we've been steadily increasing the number of fruit carts, as well as increasing the variety of other nutritious snacks like nuts and trail mix throughout the parks.

Finally, we are phasing out added trans fats from all food items served in our parks. Moving away from trans fat is a big priority in the Parks and we are on track to achieve this by end of 2007 in the US.

The kids meals and the healthy snack offerings are important because they make eating healthfully both easy and appealing for our guests when they are at Disney Parks. But, we are also focused on daily behavior. So now let's turn to what Disney is doing outside of our parks, in the general market where people live, shop and eat every day.

Licensed products account for the bulk of Disney food products in the market, and this is an area we are really changing.

As we announced in October, going forward we are using our strict nutritional guidelines to determine which foods we'll license with the Disney brand and characters. Our vision in this area is to make nutritious everyday foods that are portioned appropriately and appealing to kids. So now you'll find Disney characters on fresh fruits and veggies like these.

On this slide I'm giving you a preview of some new items we're launching this fall. On the upper left you see Foodles, a personal-size veggie and dip item with Mickey-shaped packaging that will be fun for any kid to find in their lunch box. On the upper right is a new fresh broccoli product. The broccoli steams easily in just a few minutes and comes with light sauces that can be added after cooking. The sauce recipes were developed especially to appeal to kids palates, and meet our nutritional guidelines.

Also, we think it's important to work with consumer behaviors and not against them. As an example, we know that families rely on convenience foods – and one thing we can do is bring to market those same convenience foods with sound nutritional profiles.

That's why we're bringing to market Disney versions of kids' staple foods – things that are family favorites and in most pantries– and we're formulating them to meet our nutritional guidelines.

Next, I'd like to turn to another area being transformed by our guidelines: kid-targeted promotions.

These are marketing events where you might see us partner with another company periodically to market a Disney product, like a movie. Here's one recent example where we advertised our new film Ratatouille with Intel.

In this promotional area we are applying our guidelines on new kid-targeted programs as they are planned. This means that – at times – we're looking outside of food categories for new kinds of promotional relationships.

As you can see from the promotions we've done for Ratatouille, we've partnered with both food items that meet our guidelines, like bottled water and fruit, as well as non-food partners like airlines and the Department of Energy.

Looking to the future, we are optimistic about the new promotional opportunities on the horizon as other like-minded companies are also changing their food products and marketing priorities in a similar fashion.

Now let's turn to our kids media networks.

As you probably know, Disney Channel is a commercial free platform but it does accept some brand sponsorship messaging. This is another area where we are using our guidelines to determine which food and brands can qualify for sponsorship. Going forward, if a brand doesn't meet our guidelines, then it can't be a Disney Channel sponsor.

On our other kids media outlets, we accept regular advertising from a variety of food and non-food products that comply with the routine standards and practices. However, only foods that meet our guidelines can qualify for child-targeted content sponsorship and promotion on or off-air.

As a broader industry-wide issue, we expect that the guidelines for children's advertising, as led by the Children's Advertising Review Unit will evolve over time, and we will monitor those developments.

Okay, we've talked about how we are starting to change food in the Disney Parks, licensing and promotions, and sponsorship on our media networks.

Now, I want to turn to another important area for us, and talk about how we're starting to use our influence to shape kids' preferences

Disney Channel has been and continues to incorporate healthy lifestyle messaging in its programming. One example is how we are using our characters as role models where it fits seamlessly into the storytelling. This means that kids will see episodes of *Hannah Montana*, *The Suite Life of Zach and Cody* and *That's So Raven*, among others, where the central theme of the episode is about healthy lifestyles, including both nutrition and exercise.

I'll show you a clip now from *That's So Raven*. In this episode, the cafeteria at Raven's school is turned into a food court. Once Raven gets past the initial novelty of it, she realizes that eating there has some drawbacks. She and a friend lead their peers to take ownership over their own nutrition choices.

Our focus on role modeling is not just for TV. One off-air program that will be seen for the next several months involves *High School Musical*. The cast of the popular movie is appearing in print ads like this one to promote milk consumption to kids

Also, Disney Channel runs a series of short-form programming called "Get'cha Head in the Game" in which kids tell each other, peer to peer, about their passion for their own chosen sport. The spots are both inspirational and aspirational. Let's take a look.

Beyond offering role models for kids to emulate, we're also starting to empower them with real information and education about healthy lifestyles.

Two such examples are Disney Channel's *Adventures in Nutrition* and *Ooh, Aah & You*. Let's watch them now so you can see how we're using our broad reach to talk to young kids quite directly about healthy lifestyles and what it means for them.

Engaging, educational programming such what I've shown you today, air every two hours, every day on Disney Channel.

As you can see from both the short form and long form thematic programming like *Raven*, we are serious about empowering kids. On Disney Channel alone, messages like these are seen by about 25 million kids a month.

Beyond TV, we're also finding that as our licensed food business grows, we also have lots of opportunity to talk to kids on the back/side panels of food packages.

As our first foray into this area, we've been teaching kids the My Pyramid curriculum, along with information about important nutrients. Right now, this messaging can be seen on millions of food packages.

Finally, we launched an educational website- Disney.com/healthykids. The website teaches kids the principles of My Pyramid and helps them learn about nutrition and activity through interactive games and their favorite Disney characters.

We are excited about these early efforts on TV, the internet and packaging to help educate and empower kids about their health and look forward to doing more in this area in the future.

So to wrap up, today I've had a chance to tell you about some of the changes we've already made including

- Nutritional guidelines
- New licensed products
- Phasing out of trans fat
- Kids meals with healthy options as the standard choice
- Efforts in kids education

These represent only some of our efforts, and are the initial steps in a long-term commitment by The Walt Disney Company. As you can see, these are comprehensive across all our business areas.

It takes time to fully implement changes like these, but we're committed to this for the long-term.

I look forward to sharing more progress with you as our efforts evolve in the coming years. So stay tuned. Thank you.